

**AGENDA:** September 2, 2003

**4.4**

**CATEGORY:** Consent

**DEPT.:** City Manager

**TITLE:** Public and Government Access  
Programming Services Contract

### **RECOMMENDATION**

1. Authorize the City Manager to enter into a new agreement with Mountain View Community Television (MVCT) to provide public and government access programming services and designate MVCT as the City's access management entity.
2. Appropriate up to \$10,000 from the balance available in the Cable Television Fund to pay MVCT accrued interest on the \$750,000 balance in the Cable Television Endowment Fund from July 1, 2003 to the date the City pays the balance of the Endowment Fund to MVCT. (Five votes required)

### **FISCAL IMPACT**

The compensation provisions of the agreement call for a complete restructuring of the City's financial support to MVCT as directed by the City Council during the FY 2003-04 budget development and approval process.

Both transitional and ongoing funding support will be provided to MVCT during the term of the agreement.

There are sufficient funds available in the Cable Television Fund and Cable Television Endowment Fund to fund the City's financial support of MVCT as required under the terms of the agreement.

### **BACKGROUND AND ANALYSIS**

MVCT has served as the community's nonprofit public access programming entity or access management entity since 1989. In addition to managing the operation of the community access channel (Channel 15), MVCT also provides specialized services to the City of Mountain View relating to the City's government access channel (Channel 26).

MVCT has been operating under its existing contract with the City since December 1996 to provide both public and government access services to the City and community through November 1, 2006.

In order to respond to the unprecedented challenges the City Council faced in developing a balanced FY 2003-04 budget, the City Council approved a recommendation from the Council Finance Committee as part of its adoption of the FY 2003-04 General Fund budget to restructure the City's funding of MVCT's operations as provided for in its existing agreement with the City.

Key elements of the restructuring include:

- Providing MVCT with \$1.335 million in funding during the remaining term of its agreement with the City (including \$750,000 of "backfill" funds from the City's Cable Television Endowment Fund). These funds will be paid to MVCT from the City's Cable Television Endowment Fund, a portion of the cable television franchise fees received by the City and public access support payments made by the cable operator.
- Future franchise fee-based payments to MVCT for either public or government access services will be for fixed amounts (as opposed to a percentage of franchise fee revenues received).
- The City taking all actions necessary to ensure that MVCT will continue to receive the full \$125,000 public, educational and government (PEG) access support payments from the cable operator during each of the three remaining years of the current cable franchise agreement.

Additionally, as part of the restructuring transition, the City will pay MVCT the quarterly public and government access support payment due to MVCT for the quarter (April to June 2003) immediately preceding implementation of the funding restructuring and for the City to continue paying MVCT the monthly interest earned on the \$750,000 balance in the City's Cable Television Endowment Fund (as is required under the existing agreement) for the time period between July 1, 2003 and the time the \$750,000 is paid to MVCT. The City anticipates making its final interest income payment to MVCT on or around September 30, 2003.

Because of the significant revisions that would be required to incorporate the funding restructuring provisions into MVCT's existing agreement with the City, staff, with the concurrence of MVCT representatives, elected to create a new document that will replace the existing agreement in its entirety (Attachment 1).

The new agreement includes no modifications to the scope of services MVCT will be expected to provide to the City under the agreement. The new agreement does, however, relieve MVCT of some of its previous financial reporting requirements that were deemed to be more relevant under the former City funding structure for MVCT (e.g., submitting its

annual budget as well as monthly expenditure and revenue reports) to the City. MVCT will still be required to submit an annual financial report regarding its operations prepared and certified by a certified public accountant and also submit quarterly itemized reports detailing the quantity and cost of the government access services provided by MVCT to the City during the previous quarter.

MVCT representatives have reviewed the proposed agreement and have indicated that the provisions of the new agreement are acceptable and will be presenting the proposed agreement to the MVCT Board of Directors for review and approval prior to the September 2, 2003 meeting.

### **CONCLUSION**

Staff requests that authorization be provided to the City Manager to enter into a new agreement with MVCT to provide public and government access programming services and designate MVCT as its access management entity.

### **PUBLIC NOTICING**

In addition to distributing copies of this report in accordance with the City's standard agenda posting requirements, copies of this report were mailed to MVCT.

Prepared by:

Approved by:

Linda Forsberg  
Deputy City Manager

Nadine P. Levin  
Assistant City Manager

Kevin C. Duggan  
City Manager

LF/JLQ/6/CAM  
010-09-02-03M-1^

Attachment: 1. Agreement between the City of Mountain View and Mountain View Community Television for Public and Government Access Programming Services